

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

PRIMECO PERSONAL COMMUNICATIONS,

v.

ILLINOIS BELL TELEPHONE COMPANY
d/b/a AMERITECH ILLINOIS,

Complaint pursuant to Sections 13-514 and 13-515
of the Public Utilities Act.

Docket No. 00-670

**REVISED REBUTTAL TESTIMONY OF RICHARD M. CANE
Technical Director, Midwest Region**

PRIMECO PERSONAL COMMUNICATIONS

JANUARY 17, 2001

CHIEF CLERK'S OFFICE
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ILLINOIS
COMMERCE COMMISSION

1 Q1. Are you the same Richard M. Cane who previously submitted direct
2 testimony in this docket?

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4 A. Yes.

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6 Q2. What is the purpose of your rebuttal testimony?

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8 A. The purpose of my rebuttal testimony is to clarify the issue PrimeCo
9 Personal Communications ("PrimeCo") raised in the Complaint it filed
10 against Ameritech Illinois ("Ameritech"), and respond to various
11 statements and proposals contained in the direct testimony of Ameritech
12 witnesses James E. Devine, Director - Wireless Sales, and Debra J. Aron,
13 Director of LEGC's Evanston, Illinois offices.

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15 Q3. Please describe the issue PrimeCo raised in its Complaint.

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17 A. As set forth in PrimeCo's Complaint, and in the testimony of all of
18 PrimeCo's witnesses, this proceeding concerns the unreasonably poor
19 and substandard quality of the DS1 Services Ameritech is and has been
20 providing PrimeCo as well as the detrimental impact Ameritech's poor
21 service is having on PrimeCo's ability to compete in Illinois' wireless
22 telecommunications market.

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24 The testimony of Ameritech's witnesses, particularly the testimony of
25 Debra Aron, improperly focuses on the September 11, 1998 contract
26 entered into between PrimeCo and Ameritech ("1998 Contract"),

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34 Revised
35 Direct Testimony of Richard M. Cane ("Cane Revised Direct") at 10. On
36 the contrary, by this action, PrimeCo is attempting to ensure that
37 Ameritech, now and in the future, will provide it with DS1 Services that
38 satisfy reasonable performance standards, which is the only way
39 PrimeCo will be able to effectively and efficiently compete in Illinois'
40 wireless telecommunications market.

41 **Comments Regarding the Direct Testimony of James E. Devine**

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43 Q4. As an initial matter, Mr. Devine attempts to challenge the basic premise
44 of PrimeCo's Complaint. Specifically, at page 3 of Mr. Devine's
45 testimony, citing what he describes as Ameritech's various efforts to work
46 with PrimeCo to establish and maintain its wireless network, Mr. Devine
47 takes issue with PrimeCo's contention that Ameritech has engaged in
48 "unreasonable" conduct. Direct Testimony of James E. Devine ("Devine
49 Testimony"). Do Mr. Devine's comments address the facts on which

PrimeCo based its conclusion that Ameritech's performance is unreasonable?

A. No. In my direct testimony, for example, I explain that Ameritech's DS1 Service is unreasonable, indeed substandard, because Ameritech has

[REDACTED]

Cane Revised Direct at 5. I further explain that

[REDACTED]

Cane Revised Direct at 6.

[REDACTED]

Further, although Ameritech has engaged in various efforts and implemented several initiatives in an attempt to improve its performance,

[REDACTED]

Cane Revised Direct at 8-9;

[REDACTED]

Moreover, certain of the Ameritech initiatives and other efforts to which Mr. Devine generally refers previously have been described as ineffective by Ameritech itself. See Service Improvement Plan developed by Ameritech's General Manager - Wireless Service, Thomas Harvey ("Harvey"), who is now a Vice President at Ameritech, which indicates that

[REDACTED]

100 Finally, with respect to Mr. Devine's reference to Ameritech performance
101 improvement initiatives that have not as yet been implemented, I am
102 unable to comment on whether such initiatives will be effective. I would
103 further add that the first time I even became aware of such planned
104 initiatives was when I reviewed Ameritech's testimony in this proceeding.
105

106 Q5. Please comment on Mr. Devine's contention that [REDACTED]
107 [REDACTED]
108 [REDACTED] areas. Devine Testimony at
109 5.
110

111 A. [REDACTED]
112 [REDACTED]
113 [REDACTED]
114 [REDACTED]
115 [REDACTED]
116 [REDACTED]
117 [REDACTED]
118 [REDACTED]
119 [REDACTED]
120 [REDACTED]
121 [REDACTED]
122 [REDACTED]
123 [REDACTED]

124 Secondly, [REDACTED]
125 [REDACTED]
126 [REDACTED]
127 [REDACTED]
128 [REDACTED]
129 [REDACTED]

130 However, the similarity of
131 the widespread geographic location of various wireless networks, and
132 Ameritech's network, is not particularly significant, because Mr. Devine's
133 attempted distinction between the physical layout of the networks is
134 irrelevant. Even if true, it simply would not justify or excuse Ameritech's
135 poor performance.

136 Also, as Mr. Devine admits, the DS1 Service Ameritech is providing
137 PrimeCo is a competitive service that Ameritech is under no statutory
138 obligation to provide. Devine Testimony at 4-6. Rather, Ameritech bid
139 for the right to provide DS1 Service to PrimeCo. In connection with that
140 bidding process, as well as in the 1996 contract into which PrimeCo and
141 Ameritech entered after the bidding was completed (the "1996 Contract"),
142 and, most significantly, in the 1998 Contract, [REDACTED]
143 [REDACTED]
144 [REDACTED]
145 [REDACTED]
146 [REDACTED]
147 [REDACTED]
148 [REDACTED]

149 [REDACTED]
150 [REDACTED]
151 [REDACTED]
152 Q6. In addition to the physical location of PrimeCo's cell sites, Mr. Devine
153 also indicates that part of the reason Ameritech's DS1 performance is so
154 poor is [REDACTED]
155 [REDACTED] Devine Testimony at 6. Please
156 comment on this proposed justification of Ameritech's poor performance.
157

158 A. Like PrimeCo, various other wireless carriers, including AT&T, Sprint,
159 and Voicestream, [REDACTED]
160 [REDACTED]
161 [REDACTED]
162 [REDACTED]

163 See Devine Testimony at 6. Also, when Ameritech
164 entered into the 1998 Contract, [REDACTED]
165 [REDACTED]
166 [REDACTED]
167 [REDACTED]
168 [REDACTED]
169

170 Q7. A further reason Mr. Devine offers to explain Ameritech's poor
171 performance is the short time frame in which Ameritech was required to
172 install the DS1 circuits PrimeCo needed. Devine Testimony at 6. Please
173 comment on this proposed justification of Ameritech's poor performance.
174

175 A. The installation intervals for DS1 circuits should not affect their
176 performance.
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178 Additionally, PrimeCo worked jointly with Ameritech to determine the
179 installation schedules for PrimeCo circuits. Ameritech provided PrimeCo
180 with the delivery dates for the installations.
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182 Also, [REDACTED]
183 [REDACTED]
184 [REDACTED]
185 [REDACTED]
186 [REDACTED]
187 [REDACTED]
188 [REDACTED]
189 [REDACTED]
190 [REDACTED]
191 [REDACTED]
192 [REDACTED]
193 [REDACTED]
194 [REDACTED]
195 [REDACTED]
196 [REDACTED]
197 [REDACTED]

Ex. D at 3.

Contract, a copy of which is separately provided
as Exhibit E, at § 5.2.

In essence, then, Ameritech appears to be attempting to excuse its failure
to provide PrimeCo with reasonable and reliable DS1 Services by blaming

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PrimeCo for [REDACTED]
[REDACTED]

Q8. Are there any other reasons the time frame in which Ameritech was required to install the DS1 circuits PrimeCo needed does not adequately explain or justify Ameritech's poor performance?

Yes. [REDACTED]
[REDACTED]

[REDACTED]

Q9. [REDACTED]
[REDACTED]

A. No. [REDACTED]
[REDACTED]

[REDACTED]

In addition, [REDACTED]
[REDACTED]

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Q10.

Devine
Testimony at 9-10.

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See Ex. E at §§ 13.3 and 13.4.

See Ex. E at § 13.5.

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[REDACTED]

Letters of correspondence between myself and Mr. Harvey [REDACTED]

[REDACTED]

See

letters attached as Exhibit H.

Q11. In connection with Mr. Devine's description of [REDACTED]

[REDACTED]

A.

[REDACTED]

Q12.

[REDACTED]

A. No, certainly not. That is why I do not understand Mr. Devine's use of the term [REDACTED]

When PrimeCo and Ameritech were negotiating the 1998 Contract,

[REDACTED]

[REDACTED]

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Q22.

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Comments Regarding the Direct Testimony of Debra J. Aron

Q24. Mr. Cane, turning your attention to the testimony of Ameritech witness Debra Aron ("Aron"), please explain whether Ms. Aron is correct in concluding that based on the proximity of the networks of alternative service providers ("ASP") to PrimeCo's cell sites, PrimeCo can be served by various ASPs?

A. No. Ms. Aron's conclusion that PrimeCo can be served by various ASPs because of the proximity of their networks to PrimeCo's cell sites is not accurate.

[REDACTED]

In order for these ASPs to provide PrimeCo with replacement DS1 services, they would either have to lease local loop facilities from Ameritech or

construct network facilities from their nearest node location to PrimeCo's cell site. Mr. Devinc confirms this in his response to Question 44 at page 26 of his testimony.

PrimeCo's use of an ASP that leases local loop facilities from Ameritech would not address the majority of PrimeCo's service issues, [REDACTED]

[REDACTED] Direct Testimony of George Papadakis at 3. In fact, use of such an ASP could increase outage durations by introducing a third party between PrimeCo and Ameritech for reporting and troubleshooting circuit outages.

[REDACTED] I believe a similar situation exists for ASPs providing digital subscriber line (DSL) services. While many ASPs have constructed their own facilities to Ameritech's wire centers, as indicated by Ms. Aron, in most instances, they have preferred to lease local loop facilities from Ameritech to provide DSL rather than build their own facilities to individual customer locations. Given the expansiveness of Ameritech's existing local distribution network, I believe it is very often more economical for ASPs to lease local loop facilities from Ameritech than construct their own facilities.

736 [REDACTED]
737 [REDACTED]
738 [REDACTED]
739 [REDACTED]
740 Q25. Is Ms. Aron correct in stating that PrimeCo could replace its Ameritech
741 circuits with microwave or other broadband wireless technologies?
742

743 A. No. Her statements regarding PrimeCo's ability to utilize microwave or
744 other broadband technologies are not correct. The use of microwave or
745 other broadband wireless technologies would require the installation of
746 microwave or similar antennas at PrimeCo's cell sites with line-of-sight to
747 other PrimeCo cell sites or to a broadband wireless service provider's
748 radio site location. In general, PrimeCo's cell sites are not constructed or
749 configured for the installation of such antennas. [REDACTED]
750 [REDACTED]
751 [REDACTED]
752 [REDACTED]
753 [REDACTED]

754 Existing towers contain other carriers
755 or facilities that limit the structural capacity for PrimeCo to add
756 microwave or similar antennas. Landlords' leases or zoning permits also
757 generally restrict the installation of microwave or similar antennas.
758 Many landlords typically treat microwave or similar antennas in the
759 same manner as an additional carrier, which would effectively double
760 PrimeCo's rent for the site.
761

762 [REDACTED]
763 [REDACTED]
764 [REDACTED]
765 [REDACTED]
766 [REDACTED]
767 Further, the height and relative locations of PrimeCo's cell sites prevent
768 line-of-sight paths between many cell sites. The heights of PrimeCo's cell
769 sites are typically 100' or less in the City of Chicago and 150' in the
770 remainder of PrimeCo's coverage area. These heights cause great
771 difficulty in establishing reliable microwave lines-of-site through the
772 topography and obstruction of this region.

773 Finally, PrimeCo's use of a broadband wireless service provider may not
774 address PrimeCo's service quality issues, because these service providers
775 often lease high capacity services from Ameritech to backhaul their radio
776 site locations.
777

778 Q26. At pages 15-16 of her testimony, Ms. Aron postulates that "[t]he
779 anticipation of switching costs possibly being incurred later on is part of
780 the reason that providers entering long term contracts are willing to
781 negotiate price discounts, and purchasers demand them." Ms. Aron
782 further states, [REDACTED]
783 [REDACTED]
784 [REDACTED]

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[REDACTED]

Are you aware of any support for Ms. Aron's theory.

- A. No, I am not. In fact, Mr. Devine's testimony refutes Ms. Aron's suppositions. As Mr. Devine testified, "PrimeCo and Ameritech entered a competitive contractual arrangement [REDACTED]"

Devine Testimony at 7.

[REDACTED]

[REDACTED]

Q27. Please summarize your testimony.

A.

[REDACTED]

it is detrimentally affecting PrimeCo's ability to compete in Illinois's wireless telecommunications market.

[REDACTED]

PrimeCo has long-engaged in extensive cooperative efforts to help Ameritech improve its performance, essentially to no avail. Now, PrimeCo's recourse is to the Illinois Commerce Commission, the body charged with ensuring that ILEC's like Ameritech do not knowingly impede the development of competition in the wireless telecommunications market by engaging in unreasonable conduct.

835 Based on the evidence PrimeCo has submitted, it is clear that
836 Ameritech's performance is unreasonable.

837
838 Therefore, to ensure that Ameritech does not unfairly prevent PrimeCo
839 from effectively and efficiently competing in Illinois' wireless
840 telecommunications market, the Illinois Commerce Commission should
841 require Ameritech to materially improve the quality of the DS1 Services it
842 provides PrimeCo within a set time frame. The Commission also should
843 require Ameritech to ensure that it maintains its DS1 Services at an
844 acceptable level, as measured against reasonable performance
845 standards.

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847 Q28. Does this conclude your testimony?

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849 A. Yes.

PRIMECO EXHIBIT 2, TAB A

PRIMECO EXHIBIT 2, TAB A CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB A CONTAINS
WIRELESS SERVICE PERFORMANCE
RESULTS FOR PRIMECO

PRIMECO EXHIBIT 2, TAB B

PRIMECO EXHIBIT 2, TAB B CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB B CONTAINS
WIRELESS SERVICE PERFORMANCE
RESULTS FOR PRIMECO

PRIMECO EXHIBIT 2, TAB C

PRIMECO EXHIBIT 2, TAB C CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB C CONTAINS A CHART DETAILING PRIMECO NETWORK PERFORMANCE RESULTS

PRIMECO EXHIBIT 2, TAB D

PRIMECO EXHIBIT 2, TAB D CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB D CONSISTS OF A
LETTER OF INTENT BETWEEN PRIMECO AND
AMERITECH

PRIMECO EXHIBIT 2, TAB E

PRIMECO EXHIBIT 2, TAB E CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB E CONTAINS A CONTRACT BETWEEN AMERITECH AND PRIMECO FOR AMERITECH OC-48 DEDICATED RING SERVICE AND DS1 HIGH CAPACITY DIGITAL SERVICE

PRIMECO EXHIBIT 2, TAB F

PRIMECO EXHIBIT 2, TAB F CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB F CONTAINS
AMERITECH'S VENDOR AUTHORITY
STATEMENT

PRIMECO EXHIBIT 2, TAB G

PRIMECO EXHIBIT 2, TAB G CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB G CONTAINS A CONTRACT BETWEEN AMERITECH AND PRIMECO FOR AMERITECH OC-48 DEDICATED RING SERVICE AND DS1 HIGH CAPACITY DIGITAL SERVICE

PRIMECO EXHIBIT 2, TAB H

PRIMECO EXHIBIT 2, TAB H CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB H CONTAINS
PROPOSED LANGUAGE FOR THE
PRIMECO/AMERITECH CONTRACT SECTION
TITLED PERFORMANCE GUARANTEE

PRIMECO EXHIBIT 2, TAB I

PRIMECO EXHIBIT 2, TAB I CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB I CONTAINS
WIRELESS SERVICE PERFORMANCE
RESULTS FOR PRIMECO

PRIMECO EXHIBIT 2, TAB J

PRIMECO EXHIBIT 2, TAB J CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB J CONTAINS
AMERITECH'S 1999 WIRELESS HICAP
OBJECTIVES

PRIMECO EXHIBIT 2, TAB K

PRIMECO EXHIBIT 2, TAB K CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB K CONTAINS
AMERITECH'S OBJECTIVES FOR PRIMECO

PRIMECO EXHIBIT 2, TAB L

PRIMECO EXHIBIT 2, TAB L CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB L CONTAINS
VARIOUS EMAIL CORRESPONDENCES

PRIMECO EXHIBIT 2, TAB M

PRIMECO EXHIBIT 2, TAB M CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB M CONTAINS
PRESENTATION MATERIALS TITLED
WIRELESS TASK FORCE READOUT

PRIMECO EXHIBIT 2, TAB N

PRIMECO EXHIBIT 2, TAB N CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB N CONTAINS
PRESENTATION MATERIALS TITLED
WIRELESS TASK FORCE READOUT

PRIMECO EXHIBIT 2, TAB O

PRIMECO EXHIBIT 2, TAB O CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB O CONTAINS
VARIOUS GRAPHS DETAILING
UNAVAILABILITY OF CIRCUITS IN 1998

PRIMECO EXHIBIT 2, TAB P

PRIMECO EXHIBIT 2, TAB P CONSISTS OF
INFORMATION OF A CONFIDENTIAL AND
PROPRIETARY NATURE AND HAS BEEN
REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB P CONTAINS
PRESENTATION MATERIALS FOR THE
AMERITECH – PRIMECO EXECUTIVE
MEETING